The A. F. of L. Weekly News Service gives a brief summary of important matters affecting labor, occurring in the industrial, legislative and judicial fields, and such other information that will benefit the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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In doing what we ought we deserve no praise, because it is our duty.—St. Augustine.

WHOLE NO. 835. WASHINGTON, D. C., SATURDAY, APRIL 9, 1927. VOL. 17, NO. 4.

Road Costs Based On 1914 Levels; I. C. C. Makes Important Decision

Washington, April 9.—The Interstate Commerce Commission has ruled that railroads must base their values on price levels of 1914, rather than on the price levels of later years.

The decision was made in the case of the St. Louis & Fallon Railroad, a nine-mile property in St. Louis, which resisted the government's attempt to collect excess profits under the recapture clause of the railroad act. The railroad was ordered to pay the government $226,878 within 90 days. Under the recapture clause the government is entitled to take one-half of profits in excess of 6 per cent. This money is intended to aid smaller railroads.

If the commission's ruling is uphold by the United States Supreme Court, the great transportation systems will be affected. They have insisted that present-day values should be the standard to reach valuations on which rates can be based.

The commission rejects this theory and rules that the railroads will be considered as worth what they would cost in 1914 plus whatever actual sum has been invested in them since, less depreciation.

If present price levels were accepted by the commission railroad values would practically nullify the recapture clause and also pave the way for higher freight and passenger rates.

The O'Fallon railroad attempted to defeat the recapture clause by increasing salaries of its officials, but the commission held this was an improper addition to operating expenses and that the money should be returned to "net profits" account.

The recapture clause was upheld by the United States Supreme Court four years ago in a decision that drew a sharp line between private business and a public utility.

The court said that a carrier "is not entitled as of constitutional right to more than a fair net operating income upon the value of its properties," and that the owner of a public utility "must recognize that, as compared with investment in private business, he can not expect either high or speculative dividends, but that his obligation limits him to only fair and reasonable profit."

CURE FOR "LAME DUCK" EVIL

The "lame duck" and the filibuster can be removed by the Norris amendment to the Constitution. This will abolish the short session of Congress and that body will not adjourn until all business is completed.

Congress now adjourns on March 4. This makes a filibuster possible. Members are elected in November and do not take office until 13 months later. Those who have been repudiated by their constituents continue to legislate during that time. As they are generally interested in soft Federal berths, it is easy to conceive where their interests lie.

The Norris amendment has been passed three times by the Senate, but on each occasion has been held up in the House. It is significant that the Senate, which favors the plan, is attacked by special interests, while the House, where a "gag" on debate operates, opposes the amendment.

Those who denounce the Senate favor a "gag" policy, as in the House, rather than end the "lame duck" system which is useful to them.

WOMEN'S 48-HOUR BILL APPROVED IN NEW YORK

Albany, N. Y., April 9.—Governor Smith has signed the compromise 48-hour-week bill for women in industry. Passage of the act ends a controversy that has been prominent in State politics for several years.

The bill which grants a 49¼-hour week where Saturday half holidays are given to women workers and also provides for 78 hours during the year in which women may be worked over the schedule laid down in the new law upon approval by the State Industrial Commission, was framed after a year's investigation by the Legislative Industrial Survey commission. The former maximum was 54 hours a week.

"My only regret," the Governor wrote in his approving memorandum, "is that the benefits of this bill should have been withheld for so many years for no good reason and that this general welfare act should needlessly have become the subject of political controversy.

"This bill, providing for a 48-hour week, has been before the State of New York for at least 14 years. Last year when it became apparent that the public would no longer tolerate a delay in adopting this beneficial measure, a legislative commission was appointed to investigate this subject, along with several others affecting labor and workmen's compensation, and the commission reported in favor of the 48-hour bill with certain exceptions. Some of these exceptions and reservations might, in my opinion, better have been omitted, but the principle is established and the bill provides a substantial part of what many people of the State have been contending for for years."

COAL MINERS REFUSE WAGE CUT; ARE OUT IN BITUMINOUS FIELDS

Indianapolis, April 9.—The General Policy Committee of the United Mine Workers has instructed officials of all districts in the central competitive field to continue present agreements with employers pending the negotiation of a basic scale.

Districts in central Pennsylvania, Washington, Wyoming, Michigan and Montana have adopted this plan and are producing coal. Operators who reject the proposal want wages based on the anti-union fields of West Virginia and Kentucky.

Indianapolis, April 9.—Refusal of the United Mine Workers to lower wages to meet non-union conditions has resulted in a suspension throughout the competitive field of western Pennsylvania, Ohio, Indiana and Illinois. Other coal sections are also affected. Rates in the competitive field are the basis for wages in the bituminous industry.

The miners are willing to continue present rates until a new agreement is worked out, but this was declined. The operators want wages lowered to the non-union rates. The unionists show that this is impossible because the non-union fields would again lower wages.

The miners agree the coal industry is in a serious condition and have repeatedly expressed a willingness to join with the operators to solve over-development, high overhead charges, freight preferentials and other wastes. To these offers, the operators reply, "Lower your wages."

The ranks of non-union operators have been increased by several large companies that violated their agreement made at Jacksonville three years ago.

At the recent wage conference in Miami, the operators offered no solution except that a commission of 12 be appointed to set rates on the basis of non-union fields. The four neutral members of the commission were to be appointed by Chief Justice Taft of the United States Supreme Court. It is agreed that the operators had no idea that the miners would accept the plan, but even this poor excuse for a "settlement" was intended to be better than nothing.

John L. Lewis, president of the United Mine Workers, characterized the suspension as a "lock-out, not a strike." The miners' chief said the present situation was brought about by the operators' inefficient management.

"Every time they suffer financial reverses through their own short-sightedness," he said, "they attempt to retrieve their losses through the pocketbooks of the men who risk their lives in digging coal."

DEARTH ACQUITTED BY INDIANA SENATE

Indianapolis, April 9.—Circuit Court Judge Dearth of Muncie escaped impeachment by a close vote, when 14 out of 49 members of the State Senate upheld him on all counts.

The charges included appointment of an unqualified jury commissioner, impanneling of unqualified juries and suppression of the freedom of the press. Confiscation of copies of the Muncie Post-Democrat that February resulted in the case being taken up by the Legislature. Judge Dearth ordered newsboys brought into court and relieved them of their papers which contained an article he held slandered him.

Analysis of the Senate roll calls on the seven counts show the Senate as a whole did not consider him entirely innocent. Of five of the charges a majority of the 49 voting favored conviction, but the number was less than the two-thirds of the membership as required by law.

George R. Dale, editor of the Post-Democrat, was arrested on a charge of criminal libel, after staying out of the State to prevent service against him. He was waged a bitter fight against Judge Dearth and recently was sentenced to a term in jail for contempt of court. On appeal the Indiana State Supreme Court ruled that the truth is no defense in contempt cases. The United States Supreme Court threw out his case on a technicality.

FASCISTI IS AIDED BY WAR PROFITEERS

Washington, April 9.—Mussolini is aided by Italian military forces and war profiteers, said Prof. Gaetano Salvemini of the University of Florence, Italy, at a mass meeting of friends of Italian liberty in this city. Other factors are American bankers and British diplomacy.

The speaker said the Fascisti march on Rome, which enthroned Mussolini, consisted of 8,000 poorly armed Black Shirts who could be quickly dispersed if the military power so disposed.

Prof. Salvemini denied that Mussolini "saved" Italy from Bolshevism. He said this is fascist propaganda. He quoted statistics to prove that Italy was rapidly assuming her prewar status when the dictatorship was announced. Strikes were waged, said the speaker, but there was no breaking down of the economic machine, as alleged by the Fascisti.

The Chamber of Deputies, Italy's lawmaking body, has been replaced by Fascist organizations of labor that are linked up with the National Fascisti party. Mussolini appoints the general secretary of the Fascisti unions, and that official appoints officials of provincial and local unions. Strikes and lockouts are prohibited, but where strikes are forbidden there is no necessity for lockouts," the speaker said.

Resolutions approved by the mass meeting declared that there can be no compromise between Fascism and democracy. The former, it was said, is the ancient theory of autocracy that exalts the state, while democracy places the individual first.

Opposition to the Fascisti organizations in this country was expressed and greetings were extended "to the patriotic men and women of Italy who are struggling in the righteous cause of popular rule and who are risking their lives to combat the Fascisti ideal."

PREVAILING WAGE ACT SIGNED BY GOVERNOR

Albany, N. Y., April 9.—Governor Smith has signed the prevailing rate of wages act, which is intended to overcome objections by the United States Supreme Court to this legislation.

The term "locality," that the court held was not definite, is defined to be the town, city, village or other civil division of the State in which the physical work is being performed.

The prevailing rate of wage in each locality where public work is being done is made a part of the contract. The contractor may be called upon at any time to furnish a schedule of wages he is paying. If the rate is not the prevailing rate, then workers employed by him are given the right of action to recover the difference.

The prevailing rate is defined to mean the rate paid in a majority in the same trade or occupation in any locality. Where a majority is not paid the same rate the rate paid to the greater number shall be the rule.

FRANCE WON'T JOIN COOLIDGE PARLEY

Washington, April 9.—France has officially declined to take part in President Coolidge's naval disarmament conference.

Behind this action is wide differences between various world powers on disarmament. Following the Harding conference which limited the building of battleships, President Coolidge would limit the building of battle cruisers, destroyers and submarines. France maintains that sea, land and air forces must be considered together. Great Britain and Japan accepted the American invitation. Italy joined with France.

COSSACKS ARE OUSTED

Denver, April 9.—Colorado's Cossacks have been disbanded by order of the State Legislature. There was not one member who favored the uniformed thugs.

Governor Adams opposed the Cossacks in his campaign. In his inaugural address he declared them an unnecessary, expensive and troublesome.

The Cossacks were established during the war. Later they were abolished and then revived by Governor Shoup. They were commanded by the notorious Fay Hanbrock, who led the gunmen in an attack against the miners' camp at Ludlow, 13 years ago, when men, women and children lost their lives.

PRINTERS RAISE WAGES

Fort Worth, Texas, April 9.—A wage increase of $5 a week has been secured by Star-Telegram printers. Rates will be immediately advanced $3 a week and $1 in 1928 and $1 in 1929. A five-year contract was signed and can be reopened after three years.

HARDING ORDER ON OIL REVOKED BY COOLIDGE

Washington, April 9.—President Coolidge has revoked an order issued by President Harding on May 31, 1921, that transferred control of the Elk Hills oil reserves from the Secretary of the Navy to the Secretary of the Interior.

The United States Supreme Court annulled the order when it ruled that Secretary of the Interior Fall's lease of the oil lands to Edward L. Doheny was secured through collusion and fraud. The court's decision upheld United States Senators who claimed that the Harding order set aside an act of Congress that the lands should be under the control of the Secretary of the Navy.

President Coolidge's order does not apply to the Teapot Dome oil fields, which were leased to Harry F. Sinclair. This lease has been declared illegal by the circuit court of appeals and is now before the United States Supreme Court on appeal by Sinclair. Government attorneys insist that the Doheny litigation has decided against Sinclair practically every point he seeks to raise.

The court of appeals said that the Sinclair lease and contract show "a complete trail of fraud on the part of Fall (the then Secretary of the Interior) and collusion between him and Sinclair."

The United States Supreme Court took that position in the Doheny case.

BIG CORPORATIONS ROLLING IN WEALTH

New York, April 9.—"The big corporations are getting richer and richer and shareholders of most of them are getting a big share of the prosperity they are enjoying," says the Wall Street Journal.

The 1926 report of five corporations show a total of $720,481,158 cash and marketable securities at the end of last year, compared with $629,415,830 at the close of the preceding year, a gain of $91,065,328, or 15 per cent.

The corporations are United States Steel, General Electric, General Motors, American Telephone and Telegraph and Allied Chemical.

At the close of 1922 these five corporations reported $464,180,444 cash and marketable securities, so that the gain since then has been $256,300,714, or 55 per cent.

"What applies to the above five companies in the matter of increased cash holdings, applies to scores of others," says the Wall Street Journal."

SACCO AND VANZETTI ARE DENIED NEW TRIAL

Boston, April 9.—The State Supreme Court has upheld Superior Court Judge Webster Thayer's refusal to grant a new trial to Nicola Sacco and Bartolomeo Vanzetti, convicted of murder in a case that has attracted world-wide attention.

The accused sought a new trial on a confession by Celestino Madeiros, under sentence of death for another murder. Judge Thayer held that no reliance could be placed on Madeiros and the Supreme Court said the court had the right to make that decision. Attorneys for the accused charged the prosecuting attorney with concealing witnesses who could aid the defense.

MINERS' OFFICIAL IS DEAD

Kirkville, Mo., April 9.—James Cooley, international auditor of the United Mine Workers, died at his home here, following an illness contracted at the district convention of southwest miners in Kansas City. He was a member of the United Mine Workers from its inception.

CITY EMPLOYES GAIN

New York, April 9.—The Board of Estimate voted a $1,000,000 salary increase to 8,500 city employes, retroactive to March 1. The increase affects lower wage workers.

PLUMBERS SUSPEND WORK

Brooklyn, N. Y., April 9.—More than 1,500 plumbers suspended work to enforce a five-day week and increased wages.

FORD'S RETAIL STORES BOW TO BOYCOTT THREAT

Detroit, Mich., April 9.—Henry Ford has bowed to the storm of protests by business men and has ordered that his retail stores cease serving the public. Recently his three commissaries that were intended to serve his employes extended their scope, and general commodities were sold to the public at prices below those of retail stores. This aroused the threats of boycotting Ford flivvers and wholesalers who supplied the stores were ordered to withdraw.

At a mass meeting of more than 1,000 angry business men, a Ford representative informed them of the new order.

PRINTING PRESSMEN GAIN

Oklahoma City, April 9.—Printing pressmen raised wages $1.50 and $3 a week through arbitration proceedings. Apprentices who have served two years or over are advanced $1.50 a week.

WELL-KNOWN PRINTER DIES

New York, April 9.—John S. (Long John) O'Connell, secretary-treasurer of Typographical Union No. 6 for several years, died at his home after a short illness.

COMMITTEE FORMED ON LATIN AMERICA

Washington, April 9.—Senator Norris has been named honorary president of the newly-formed National Citizens' Committee on Relations with Latin America. Membership includes several United States Senators, educators and editors who seek non-interference by the United States in Latin affairs.

Mercer G. Johnston of Baltimore, secretary of the committee, said the movement is a "voluntary non-sectarian, non-partisan organization that believes our present Latin American policy, as manifested in Nicaragua, Mexico and elsewhere, is in violation of every sound American tradition.

"The continuation of this policy will cause the loss of Latin American markets vital to the prosperity of legitimate American business. It will inevitably arouse the hostility of millions of people in Mexico, Central and South America and the West Indies, who should be our friends. It will cause us to forfeit the respect of the world and seriously impair our own self-respect."

COMMUNISTS WRECK UNEMPLOYMENT FUND

New York, April 9.—Organized relief garment workers find that the union-wrecking Communists have smashed their unemployment fund and the operation of this insurance has been postponed until July, next year.

When the Communists took charge of the general strike last year they proceeded to sabotage the fund by "forgetting" to make collections in shops that had signed agreements with employers. Large arrears accumulated, and the system is now compelled to face the distribution of the fund until it is rebuilt.

The Communists oppose the fund, which they call "class collaboration," because employers as well as workers contribute.

JUDGE IGNORES LAW

Chicago, April 9.—An Illinois law declares that picketing is legal, but this is ignored by Injunction Judge Denis E. Sullivan. His latest restraining order is aimed at locked-out upholsterers.

BALLOT CHEATERS JAILED

Philadelphia, April 9.—Three election officials of the Thirteenth ward were sentenced by Judge Ferguson to serve one year each in the county prison. They were convicted of padding the voting list with 189 names, including that of a dead man, in the primary of September, 1925. The defendants are also charged with casting fraudulent votes at the general election.

PAINTERS RAISE WAGES

Paterson, N. J., April 9.—Painters raised wages $1 a day after a short strike.

Unionism Is Woven Into Worker's Life

By WILLIAM GREEN
President of the American Federation of Labor

The belief of the worker in his trade union is better understood when we consider the vital way in which it affects him and the diversified service which it renders him and his family.

There is scarcely any situation in which the worker is placed where the trade union can not serve and assist him. It represents him in wage negotiations. It protects him in the hour of adversity. It speaks for him upon economic, educational and civic problems. It grapples with the problems of unemployment, accident prevention and old age pensions.

When he is forced to strike against injustice the trade union supplies him and his family with food and shelter.

PRIVATE PENSIONS ARE FAULTY; STATE PROBERS UNMASK SCHEME

Harrisburg, Pa., April 9.—The Pennsylvania Commission on Old Age Pensions estimates that approximately 90,000 individuals are in receipt of some form of pension from the much-advertised old age pension system of employers.

The commission states that this system is financially unsound, that many business men who formerly favored the plan are now in opposition and that "only about 16 per cent of all employes engaged in the manufacturing and mechanical industries, transportation and commercial services, mines and clerical operations have the expectation of claiming old age pensions from the concerns for which they have worked."

In other words, approximately six workers in every 100 who are thus employed may secure the pension.

The commission's studies of labor turnover show that only 3.4 per cent of male workers and 2.4 per cent of female workers remain with one concern over 20 years. The liberally estimated number of probable pensioners today does not exceed 5 or 6 per cent of the estimated number of approximately 1,800,000 needy aged 65 years of age and over in the United States at the present time.

"The lack of proper financial provision to meet the pension payments has been one of the most outstanding reservations of our studies of the problem," the commission says. "Practically all pension plans which have come under the scrutiny of this commission include in their rules a number of conditions which materially limit the ability of the average employe to qualify for a pension.

"As pension obligations are now carried, the commission can not help concluding that many of the present plans of prosperity continues indefinitely without any set-back, public or private, agencies will be forced in the long run to assume the maintenance of many thousands of workers whose employers had led them to expect that they would be granted pensions in their old age.

"The commission is convinced that the constantly changing conditions in most industrial communities are markedly and steadily shortening the average working life of the great mass of men and women engaged in industry. The average amount of savings accumulated by the wage earner who has been retired from his job is not sufficient to maintain him in old age."

"RED" FUR WORKERS BARRED BY BOSSES

New York, April 9.

COMMUNIST workers in the fur industry are denied recognition by the Associated Fur Manufacturers in an agreement with the International Fur Workers' Union.

The manufacturers pledge to employ only furriers holding membership in the unions being reorganized with the aid of the A. F. of L. special committee. The Communist unions have recently dissolved.

The Communists are furious at the lack of affairs and hint of "trouble to the manufacturers and suffering to the workers."

The "reds" would create the impression that they are a trade union and are interested in improving wage conditions rather than use the union for revolutionary propaganda.

SURFACE PROSPERITY HIDES SOCIAL WRONGS

San Juan, Porto Rico, April 9.—Conditions in this island can not be understood in a week's visit, said Senator Luis Sigfredo Morales in addressing a committee of the United States Congress, in behalf of Porto Rican workers.

Mr. Morales, a Senator in the Porto Rican legislature and is president of the Porto Rican Free Federation of Workingmen, the speaker said the visitors had seen great sugar plantations, acres of tobacco, fruit and coffee trees and thriving industries, but behind this, he pointed out, there is poverty, unemployment and dissatisfaction.

"It is true," he said, "that our prosperity has greatly increased in recent years, but it is the prosperity of the few, not of the greatest part of our people. We believe Congress should know the exact condition of the Porto Rican people. He pleaded for an extended study of conditions and urged that the legislature be empowered to borrow money, that monopoly of land be controlled, violations of the organic act and local statutes be suppressed, and agriculture be developed.

CHINA'S NEW HOPES MUST BE RESPECTED

Washington, April 9.—It is evident that nations must respect the Chinese plea of "China for the Chinese," said Rev. St. George Tucker, bishop coadjutor of the diocese of Virginia, who will head a commission of the Episcopal Church to China this summer. Bishop Tucker has lived in the Orient 25 years.

"It is unfair to judge the Chinese by present conditions," he said. "They are facing a tremendous problem. Considering its magnitude, it is a wonder the situation is not worse. I have great confidence in that race and I am convinced that a conservative condition will be the outcome of the present situation."

LONGER LIFE POSSIBLE

Seattle, April 9.—Human beings may look forward to an average life of 70 years, in the opinion of Dr. John James Richard MacLeod of Toronto, Nobel prize winner for medicine in 1922 for his discovery of insulin.

"I don't think that the average length of human life will be 100 years," he said. "The human machine wears out, just like a mechanical machine. But progress we have made has lengthened the average life almost three decades and the day is coming when every man and woman can confidently look forward to living 70 years."

CHILD LABOR BAN LOSES

Lincoln, Neb., April 9.—The State Senate rejected the Federal child labor amendment by a vote of 16 to 14. Friends of the measure will carry the fight to the House, and are hopeful that if it succeeds the Senate will reverse itself.

PRESSMEN ORGANIZE

Klamath Falls, Ore., April 9.—Printing pressmen have organized and are affiliated to the trade union movement.

FEW CONTROL WEALTH TAX RETURNS REVEAL

Washington, April 9.—An analysis of 1925 tax returns show that 95 per cent of the individual tax collections were paid by .29 of 1 per cent (approximately one out of every 400) of those making returns, while 82 per cent of the people paid no income tax.

Membership in the millionaire club jumped to 207 in 1925, as against 75 in the preceding year and 74 in 1923.

Because of exemptions in the law the individual returns dropped to 3,954,000, a falling off of 3,250,000. Of those making returns, however, a large number had no taxable income. Net incomes of $5,000 showed a marked increase.

Approximately one-half of the returns were filed by persons with net incomes in excess of $95,000, and 48¼ per cent of the total collections was paid by individuals with incomes in excess of $100,000. The practical effect of this is that 10,000 persons paid as much taxes as 3,000,000 smaller taxpayers.

Corporation income tax returns of 301,657,078 was the largest on record. This tax is exclusive of the excess profits tax.

The prosperity of corporate industry was also indicated by the reports of the 169,917 concerns reporting no net income. Their combined deficits being less than for any year since 1919.

NEBRASKA SENATOR UPHOLDS RAIL RULE

Washington, April 9.—"The initial decision is the greatest legal proceedings in history," was Senator Norris' reference to a ruling by the interstate commerce commission that railroad values for rate-making purposes should be based on actual cost, rather than present day replacement.

If the carriers' position were upheld it would mean a large increase of freight rates and passenger fares which would be placed on the railroads, according to Senator Norris.

The railroads will unquestionably attack this decision in the courts," he said. "It, therefore, behooves the farmers, wage earners, commercial travelers, shippers and all others dependent upon reasonable rates for their prosperity to join hands and sustain the commission."

Senator Norris is chairman of the National Conference on Valuation of American Railways, which was organized in Chicago in May, 1923, under the leadership of the late Senator La Follette.

PASSAIC CITIZENS TO AID UNEMPLOYED

Passaic, N. J., April 9.—Business men and city officials joined organized labor in a conference to plan relief for the unemployed. It was agreed to call a larger meeting, when tentative plans will be discussed.

Most of the textile mills are working only part time during the day and have abolished night shifts. Trade unionists report that thousands of textile workers are out of work, although the strike was settled several months ago.

OPPOSE COSSACKS

Des Moines, Iowa, April 9.—John C. Lynch, president of the Iowa State Federation of Labor, calls organized labor to greater activity against a pending Cossack bill.

Friends of the Black and Tans claim that game laws will be enforced and crime prevented in the rural districts.

"This is intended to deceive the people," said Mr. Lewis. "If this bill becomes a law Iowa will have a band of strikebreakers on the pay roll. In every State where these Cossacks exist the records show they are a union-wrecking, strikebreaking agency. It will cost the State $200,000 biennially for the support of these prowling thugs."